



**ROCKY MOUNTAIN INTERNATIONAL
EXECUTIVE SUMMARY**

OCTOBER 19-24, 2010

**ITALIAN MISSION
MILAN, ITALY**

**TTG INCONTRI
RIMINI, ITALY**

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Italian Mission Executive Summary:

October 19-21, 2010

Milan, Italy

Participants:

Maureen Droz, South Dakota Department of Tourism

Marlee Iverson, Montana Office of Tourism

Nancy Richardson, Idaho Division of Tourism

Rita Greene Bellardo, Wyoming Office of Tourism

Jayne Buck, Visit Denver

Mathias Jung, RMI-USA

Olga Mazzoni, RMI-Italy – Thema Nuovi Mondi

Annalisa Mereghetti, RMI-Italy – Thema Nuovi Mondi

As one of its main marketing events in the Italian market for 2010/11, the RMI states of Idaho, Montana, South Dakota and Wyoming, along with Gateway City partner Visit Denver, participated in a sales mission to Italy at the end of October. Taking place at the unique Camperio House in central Milan over two days of meetings with key client tour operators and media, the endeavor proved extremely fruitful.

Beginning October 19th, the first day was met with appointments and a presentation to five area tour operator staff, which included a mix of owners, North American product managers, booking department staff, marketing managers, and sales staff. Operators participating on this day of meetings were Chiariva by Vivamondo, Gastaldi 1860, Kuoni Italia Spa, I Grandi Viaggi and Alidays.

The presentation, which covered an extremely in-depth overview of the four-state region, including Gateway City access points and top RMI partners, allowed us to focus in on the client's needs and build a strong rapport with each partner. This market is open, excited and ready to send business to the Real America. We have a substantial chance to gain market share on the larger destinations as operators throughout the two days of meetings explained that their partner travel agents and end clients are looking to offer something different and that Italians are asking about new destinations where we have the unique offerings that are continuing to sell well in Italy.

Following the business day, the RMI contingent hosted a reception for emerging tour operators and several long-standing travel trade colleagues. The event was well attended with 15 people arriving for a good networking opportunity and a chance to view a presentation on the region. Along with new potential operators, notable trade in attendance included representatives from the US Commercial Service, VUSA Italy and Lufthansa, who is a great airline partner for many Italian operators sending visitors to our region.

The next day continued with appointments and a presentation to three important Italian tour operators for the RMI region. Included in this second group were Ovet Viaggi e Turismo, Hotelplan Italia and Naar/Touring Club Italiano.

Concluding the Italian Sales Mission was another reception, this time held for Italian members of the media. A total seven trade and six consumer press members were able to make the event. Among those in attendance were several journalists who had already visited the region on an RMI-coordinated fam trip and written multiple articles, or were interested in doing so.

A representative from TTG Italia was in attendance and was able to preview our region in-depth prior to our participation in trade show TTG Incontri where the RMI states would continue their trip. The media group was treated to an excellent regional presentation, which sparked interest and many questions on the success of our marketing and visitation numbers to the area. Like the tour operators, Italian media seemed to be excited that the Real America was in Italy and looking to send visitors our way.

Notable Trade Developments:

Alidays, Davide Catania, Angela Quaranta & Stefano Berti – Presented their new travel planning application for the iPad. This new application will enable travel agents to use an interactive program to plan and book holidays with consumers. Alidays needs videos, images, etc. to supplement the program.

Chiariva by Vivamondo, Silvia Ferrari – Someone from their office will attend RU2011.

Gastaldi 1860, Mariangela Candiani, Enrico Paumgardhen, Katia Malavasi – Is very interested in expanding product into our region and likes selling the idea of “The Real America.” Wants to tap into the emotional aspect of a holiday. Happy with business and report a 75% increase in revenue.

Kuoni Italia, Roberto Nadalini – Zurich Kuoni office now handles all product development, including decisions and contracting for the entire Kuoni family.

Ovet Viaggi e Vacanze, Chiara Colombo – Enrico attended Mega Fam 2010 and will be attending RU2011. Feels the RMI region is an emerging product and interested in increasing.



Evaluation of Italian Mission 2010:

A total of 29 leads were produced at the Italian Mission 2010, including eight specifically resulting from appointments with tour operator staff. Over the course of the two days, we were thoroughly impressed with the quality of the meetings and the turnout at each event. We left Milan feeling as if we left an extremely positive impression on this market and with those we met with. All were excited that we were in Italy and offering our direct support to them to send visitors to the Real America.

After discussing with our Italian office, it is RMI's recommendation that we continue devoting resources for an Italian Sales Mission, but perhaps on an every other year basis. This plan will allow for the market to grow and our presence would be more valuable in two years when new product might become available.



TTG Incontri Executive Summary:

October 22-24, 2010

Rimini, Italy

Participants:

Maureen Droz, South Dakota Department of Tourism

Marlee Iverson, Montana Office of Tourism

Nancy Richardson, Idaho Division of Tourism

Rita Greene Bellardo, Wyoming Office of Tourism

Mathias Jung, RMI-USA

Olga Mazzoni, RMI-Italy – Thema Nuovi Mondi

Annalisa Mereghetti, RMI-Italy – Thema Nuovi Mondi

Following the Italian Mission in Milan, the RMI group traveled southeast to Rimini, Italy for trade show TTG Incontri. This is the first time that there has been a Discover America Pavilion at TTG, and first time that RMI has participated. All in all, the event was a success and again we saw the excitement that the Italian market is gaining for the Real America.

In its 47th year, TTG Incontri is the most important international B2B event in the Italian travel industry and is considered a fundamental point of reference for the market. With its strict B2B format, TTG Incontri 2009 attracted 35,352 professional operators, agents and buyers, representing a 2% increase over 2008. More than 2,400 exhibiting companies and organizations were present in 2009, good for a 7% increase from 2008. In addition to trade, more than 500 journalists were registered at TTG Incontri 2009 and similar totals were expected this year. Early indications on the show floor were that visitation has increased by an astonishing 21% to 42,750 travel trade in 2010.

This increase in travel trade participation shows the success that TTG is gaining in the Italian market, and perhaps the inclusion of a Discover America Pavilion this year played a part. 24 US-based exhibitors were present at TTG, including Rocky Mountain International who had an exceptional presence. The RMI booth, featuring Idaho, Montana, South Dakota and Wyoming along with Gateway City and Marketing partners had a very attractive booth that stood out next to other exhibitors in this pavilion. The product we have to offer is increasingly sought after in this market, when tour operators and travel agents are looking to provide an experience for their clientele that is unique and different from New York, California and/or Florida.

The trade show began Friday, October 22nd and continued through Sunday, October 24th with exhibit hours beginning at 8:30 AM and extending to 6:30 PM. Friday was a great day for the RMI booth. Traffic was continuous throughout the day and many solid, interactive meetings were conducted with tour operators. We were reacquainted with many companies who we met with in Milan as well as

some that were just on the recently finished Mega Familiarization trip through Wyoming and Idaho or attended a past RMI Roundup.

On this evening, the RMI group was treated to a dinner hosted by TTG Incontri where the RMI group was the only USA exhibitor present at the exclusive event.

The next day continued with heavy traffic through the Discover America Pavilion. Those participating were mainly travel agents looking for materials and ideas, where the previous day a majority of the visitors were wholesale tour operators. Materials were indeed distributed, including maps, guides, and all supplemental state and Gateway City material.

TTG Incontri wrapped up on Sunday, where the show slowed down and remaining materials distributed.

Notable Trade Developments:

Ego Centro, Lorenza D'Anna – Does not currently offer US product, but is interested creating tailor-made tours through our region. Thought that nature/Native American culture would work well. Interested in staff trainings and fam opportunities.

Hotelplan Italia, Alberto Alberi – Has been working with RMHT's on a SD snowmobiling trip. Is interested in a northern and southern Black Hills snowmobiling.

Konrad Travel, Gianluca Sposito – Gianluca said that he sent almost as many travelers to our region as he did to California. Will attend RU2011.

Ovunque Viaggi, Angelo Tiozzo – They organized a ski trip to Wyoming last year and will do a similar one this year. Interested in info. on the Snow King and Jackson Hole.

Travel Options, Kusma Kopano – Wants to offer the RMI region. Seemed very interested and needs receptive information and ideas.

Viaggi A Pennello, Gemil  Mandegari & Bruno Salerno – Company will attend 2011 RU and SD Post Fam/Denver Pre Fam. Is an emerging operator in Rome and will put together a web program for the RMI region.



Evaluation of TTG Incontri 2010:

31 leads were produced at TTG Incontri 2010. RMI feels as though this event is becoming *the* event for marketing to the Italian market, surpassing the long-standing BIT. Although this was the first time there was a Discover America Pavilion and the first time that RMI has exhibited, the lasting impression was that TTG is a trade show that should be considered every year.

In discussing with RMI-Italy, tour operators, and considering the general vibe felt throughout the show, the conclusion to be drawn is that TTG is on the way up, while BIT is on the way down. Business conducted was very productive and it should be noted that this is a show that Italian tour operators, travel agents and media don't miss. The Discover America Pavilion and those exhibiting were extremely well received, and we recommend a continued presence at TTG Incontri.

Trends in the Italian Market:

According to the US Commercial Service, the Italian tourism market to the United States was stable in 2009 and as of January and February of 2010, visitation is up 9% year over year. Overall visitation growth to the US for 2010 is expected to be +7% and by 2014 is expected to be +38% over 2009 numbers. This reinforces RMI's own TRIP Report figures showing substantial growth in overnight numbers for the Italian market over the last two years, where in 2010 overnights grew by 34%.

The Italian tourism market has not suffered declines in visitation to the US as some other Western European countries have mainly due to the strong Euro, appeal that the USA has on Italian people of all ages and the fact that Italians are not giving up their summer vacations, but rather shortening the number of days spent on holiday to save on their budget. This is good news for the RMI region.

The United States continues to be the preferred long-haul destination for Italian tourists. According to Banca d'Italia, in 2009 the USA ranked first in the number of Italians traveling to a long-haul destination, with over 15 million overnights. Likewise, RMI's 2010 TRIP (Tourism Research Inventory Product) Report, which is a measurement of the RMI product (overnights) being offered by Italian trade and thus demand, shows that over 833,120 overnights in the RMI region are being offered to Italian travelers, good for second among the five European markets that RMI is established in and tracks product.

In 2009, 753,000 Italians visited the USA and added with RMI's TRIP Report figures, we can reasonably assume that a good percentage of that booked holidays into the RMI region. Italy is the fourth largest European source market for inbound US travel, and in 2008 spent close to 21 billion euro on international travel. Italians vacationing abroad are considered "big spenders," staying longer, shopping for souvenirs and gifts, and buying add-on excursions and tours. Although we don't have a mechanism in place to track actual booked travelers to the RMI region we do know that demand for the region is rising at a tremendous rate year over year.

The United States maintains its status as a "dream destination" for many Italian travelers. This was echoed while in Rimini at TTG Incontri where during the last day of the show a participating travel agent who stopped by the RMI booth said exactly that, "It is a dream of mine to visit your area."

For a growing number of Italians, a trip to the United States is no longer considered an once-in-a-lifetime vacation. The USA is increasingly perceived as easy to visit, exciting and inexpensive. Repeat travelers, which are the great majority in Italy, are frequently taking fly and drive vacations since the USA is considered friendly with simple roads and easy driving. This is especially true for the Real American states of Idaho, Montana, South Dakota and Wyoming where

the expertise of a tour operator and travel agent assists with planning and booking of the holiday, but allows them to freely visit the area on their own in a rental vehicle.

Larger destinations such as New York, Florida and California, continue to be the most popular US holidays for Italians, but for repeat visitors looking for a change, the RMI region is carving a substantial niche. Tour operators are enhancing their specialization into areas that our region is especially a good fit for. According to the US Commercial Service, 75% of tour operators specialize in Fly & Drive trips, allowing tourist to travel around the states using cars, motorbikes and motor homes. Fishing, Rafting, Skiing, Ranch Vacation, Golf, Adventure Travel, Cultural/Musical Travel, Wine and Food Travel, Native American Tours, Shopping and Honeymoon Travel are all increasing in popularity and operators in this market are beginning to see the RMI region as a destination that can meet the demand of Italian travelers looking for this type of holiday.

Taking information provided by the US Commercial Service, we find that 50% of Italian tour operators offering US product are selling online, which is nearly twice as many companies using the Internet to sell the USA than only two years ago. When it comes to booking and sales channels, Italian tour operators are relying mainly on travel agencies (90%), but the Internet is increasing with operators selling trips both to the public (32%) and to the trade (28%). Most operators in Italy prefer to buy their services from receptive operators making it important to grow RMI product knowledge of the inbound tour operator.

Rocky Mountain International and its partner states are a member of the Visit USA Association Italy (VUSA), who in conjunction with the US Commercial Service in Italy cooperates on programs and activities to promote US tourism in the Italian market. RMI is one of only 20 US members.

Respectfully submitted,

Mathias Jung
Marketing Manager
Rocky Mountain International